

OPINION
46-142

September 23, 1946 (OPINION)

INSURANCE

RE: Hail Insurance Warrant Stands in Place of Feed Destroyed

I acknowledge your letter of September 16, in which you advise that you are now in the possession of a state hail insurance warrant in the amount of \$607.84 for losses sustained to growing crops, all feed grains, seeded in the season of 1946. It is your desire to know whether you can legally make use of this money for the purchase of feed to be used by the Penitentiary in feeding stock on its farm, and whether you may deposit the sum realized from the losses incurred to the feed crops in a special fund to be used in replacing the feed that you would have acquired for the use on the farm of the penitentiary if the hail loss had not occurred. You further state it is the purpose of the insurance to provide a means for obtaining feed in case of loss by hail. You also indicated that fire losses have been used in the past for replacement purposes.

I understand that at no time does the institution sell any feed crop raised on its farm.

It seems to me that the \$607.84 paid by the Hail Insurance Department for the loss sustained to feed crops is the same as feed. That money is a payment for a loss of feed and it is my opinion that it may be used for replacement of the feed lost by hail. Accordingly, it is my opinion that you have the authority to deposit this hail insurance warrant in a special fund and to use the same for the purpose of purchasing the feed to replace the feed lost because of hail. Such special deposit may be made by you in an institutional fund and may be used by you as warden of the penitentiary for the purchase of feed.

NELS G. JOHNSON

Attorney General